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ABSTRACT

The Educational Computer Service (ECS) of the National Education Association (NEA) evaluates and distributes educational software. An investigation of ECS was conducted by the Computer Education Committee of the Software Publishers Association (SPA) at the request of SPA members. The SPA found that the service, as it is presently structured, is deficient in three major respects: structure, evaluation fees, and licensing tie-in. First, the organizational form of ECS conflicts with its stated mission of rewarding and encouraging development of quality educational software. The closeness of the tie between the service and Cordatum (the consulting firm which provided funds for the start-up of the service as well as technical and administrative assistance) leads SPA to the conclusion that the evaluation program is secondary to the profit-making interests of Cordatum. Second, there is little justification for the assessment of evaluation fees, a problem compounded by the uneven manner in which these fees have been levied. Third, there is an inherent conflict of interest in linking software evaluations with software sales of approved products by Cordatum. For all these reasons it is recommended by SPA that publishers seek product evaluations by other educational services. A list of organizations that conduct evaluations and a selected list of software firms with established reputations among educators are appended. (Author/MBR)

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THE NATIONAL EDUCATION ASSOCIATION'S

EDUCATIONAL COMPUTER SERVICE

An Assessment

Issued
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By the Software Publishers Association

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TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

Report on The National Education Association's
Educational Computer Service
by the Software Publishers Association

The SPA has been asked by a number of its members to examine the National Education Association's Educational Computer Service. The matter was referred to the SPA's Computer Education Committee which met several times to consider the issues involved. The committee's findings are outlined in this report.

Overview of the NEA Educational Computer Service

The Educational Computer Service (ECS) was formed in 1983 by the 1.7 million member National Education Association (NEA), the National Foundation for the Improvement of Education (NFIE), (a nonprofit, tax exempt organization), and Cordatum, Inc., a Bethesda, Maryland professional computer services firm.

In an effort to provide educational software that meets consistent standards of high quality, the ECS embarked upon an ambitious program of evaluating and distributing educational software. In early 1984, the ECS was criticized in the trade and general press for several operational decisions. Among these were: 1) the ECS decision to charge publishers for the evaluations; 2) the requirement that in order to have software evaluated, publishers must agree to permit Cordatum to distribute NEA "Teacher Certified" software through its catalogue of approved software, called the "Yellow Book"; and 3) the requirement that publishers pay an annual license fee for use of the NEA "Teacher Certified" logo in the publisher's advertising.

Summary and Recommendations

As a result of its investigation the SPA finds that the NEA's Educational Computer Service, as it is presently structured, is deficient in three major respects. These are: the ECS structure, the Evaluation Fees, and the Licensing Tie-In.

First, the SPA finds that the organizational form of the ECS conflicts with its stated mission of rewarding and encouraging the development of quality educational software. Second, there is little justification for the assessment of the evaluation fees, a problem compounded by the uneven manner in which these fees were levied over the past year. Third, there is an inherent conflict of interest in linking evaluations with software sales of approved products by Cordatum. In view of these difficulties, we do not believe that the ECS serves the software evaluation needs of parents, teachers and students. We recommend that software publishers seek evaluation of their products by other educational services. A list of organizations that conduct software evaluations is attached as Appendix A.

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I. The ECS Structure

The ECS describes itself as follows:

> The NEA Educational Computer Service (ECS) is jointly sponsored by the National Education Association, the National Foundation for the Improvement of Education, and Cordatum, Inc. The NEA is responsible for the review process, Cordatum (a high technology consulting firm) for technical and administrative assistance, and NFIE for liaison. The Service is governed by a Board consisting of representatives from these three organizations. The staff is headed by an Executive Director, responsible to the Board, and is drawn from all three organizations. The Service is intended to be financially self-sustaining through revenues from publications and assessments.

The ECS Position

The ECS personnel describe the ECS as a legal "non-entity," or a contract between Cordatum and the NEA. ECS indicates that it is funded by Cordatum and that the ECS is to be financially self-sustaining after repaying the funds Cordatum has provided.

Criticism

Critics of the ECS, including software publishers, developers, and the press, charge that the ECS is going to great lengths to conceal the relationship between Cordatum and the NEA. The tax code does not have any provision for a "self-sustaining legal non-entity." The ECS is either a not-for-profit corporation under Section 501 of the Internal Revenue Code, or it is a for-profit corporation. Critics argue further that the ECS only compromises itself by seeking to conceal its legal nature.

The SPA's Findings

The ECS has been set up in such a manner as to invite criticism for real and potential conflicts of interest. Cordatum provided the funds to start the ECS with the expectation of repayment. The close, or even inseparable, tie between the ECS and Cordatum leads us to conclude that the evaluation program is secondary to the profit-making interests of Cordatum. When Cordatum is viewed from this perspective, that of a distributor engaged in the evaluation of software, the the firm is no different than Softsel, Micro-D or SoftKat (distributors who also evaluate software before they distribute it) except that these distributors do not charge publishers for evaluations as a condition to distributing the software.

In addition, the ECS answered criticism for its dual role of evaluating and selling approved software, by arranging for Cordatum to sell the software. Yet, considering the relationship between the ECS and Cordatum, this procedural modification is a distinction without a difference.

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It should also be noted that the ECS director, Dr. Lawrence Fedewa, is an employee of Cordatum, and is also a major stockholder in the firm. Another major stockholder in Cordatum is James R. Trawick, the husband of the Assistant Director of the ECS, Carol A. Trawick. Mr. and Mrs. Trawick hold the Cordatum shares as Joint Tenants.

If Cordatum believes that schools represent an unfulfilled distribution channel for selling software, then Cordatum may choose to enter that market. Cordatum may also decide that it should distribute only software that has been approved by recognized testing organizations. The conflict appears when the evaluation and the distribution functions become intertwined. Not only do the evaluations become tainted, but the "forced distribution" may conflict with a publisher's own software distribution network. This last point is discussed later in the report.

II. Evaluation Fees

There are two issues here: A) the need for evaluation fees, and B) the procedure for establishing the fees.

A) The ECS Fee Requirement

The ECS Position

The ECS argues that in order to be "self-sustaining" it needs to recover all of its costs. The ECS treats its teacher evaluators as consultants and pays them $100 per day. The ECS then charges vendors the approximate cost of the evaluation. If the vendor's product is approved, the vendor is granted a one-year license to use the NEA "Teacher-Certified" logo on the product in the vendor's advertising. In order to use the logo for another year, the vendor must pay an amount equal to the original evaluation fee.

Criticism

Critics argue that no other evaluation organization finds it necessary to charge for software evaluations. The ECS has also been criticized for charging a license fee in the second year.

The SPA's Findings

There are many educational organizations that do not charge for evaluations. A listing of such organizations is attached as Appendix A. If the NEA is concerned with its stated goal of assisting parents, teachers and administrators in selecting quality educational software, then the organization should allocate funds toward that endeavor. Other organizations with public interest objectives do not ask the industry to bear the cost. Furthermore, since the ECS plans to sell the "Yellow Book", it might be reasonable to price the book at a level which covers a substantial amount of the cost of the evaluations.

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We do not intend to imply that the ECS conducts its evaluations with impropriety or bias. We believe that the evaluators have made substantial impartial efforts to identify the best of the software submitted for review. However, the procedures chosen by the ECS unnecessarily restrict the evaluators' efforts by limiting the number of titles available for review.

Furthermore, by charging firms for software evaluation, the ECS has prevented the "Yellow Book" from achieving its stated goal of becoming an indispensible directory of the best educational software available. Instead, the fee structure causes the "Yellow Book" to represent only the "best" software of those firms choosing to participate and pay the evaluation fees. The NEA certainly would have a better chance of achieving its stated goals by placing the responsibility for evaluating software with the NEA's well-respected research and publication divisions.

B) The procedure for establishing fees

The ECS Position

The ECS maintains that fees are set individually, based upon the amount of time the teacher consultants need to test the products involved.

Criticism

The ECS has been criticized heavily for favoring the better known educational software publishers. Initially, vendors were permitted to have software evaluated for an inexpensive "introductory" rate. It has been alleged that some firms have paid no fees at all, and that this "variable" fee structure is subject to abuse.

The SPA's Findings

Despite several discussions with ECS personnel, we are no closer to understanding the ECS practices with respect to setting fees for evaluations. Although the ECS denies that any firms received special treatment, several SPA members indicated that they received product evaluations without paying the evaluation fees.

It is axiomatic that any evaluation procedure avoid the appearance of bias. The ECS has made a clear effort to attract larger or more "prestigious" firms by offering evaluation arrangements generally not available to all software firms. However, by choosing to evaluate software, the ECS is acting in a quasi-public capacity on behalf of the parents, teachers and students for whom the evaluations are conducted. That constituency's interests are not represented by the selective treatment of software firms by the ECS.

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III. Licensing Tie-In

In order for a firm to have its software evaluated, it must agree to have Cordatum sell any certified products.

The ECS Position

The ECS argues that teachers and parents want a single source for all NEA-approved software. The ECS further contends that software publishers need assistance in reaching the school market, and concludes that its "Yellow Book" fulfills those needs.

Criticism

Critics contend that linking the evaluation with the sale of software is unnecessary and makes the ECS appear more interested in its sales of software than in its evaluations. Vendors also are reluctant to modify their existing distribution networks in order to satisfy the ECS requirements. Finally, such a link has the appearance of impropriety since Cordatum wishes to sell those products that are advertised extensively and are sold successfully. This may create a disadvantage for a smaller publisher with new or lesser-known products.

The SPA's Findings

Discussions with ECS personnel indicate that the distribution function of the ECS is an integral part of its evaluation program. The ECS indicates that it intends to be a major force in the distribution of software to the school market. This interest of the ECS conflicts with the interests of many software publishers which have years of selling experience in the schools. A number of SPA members have invested very heavily in their distribution networks which involve the sale of a wide range of school products, including software. For example, a firm may send sales personnel to a school district to demonstrate a wide range of courseware. It is possible therefore, that a firm may find itself in direct competition with Cordatum in the sale of the firm's own software.

We recognize, however, that the "Yellow Book" may provide some additional distribution for those firms that do not have a direct sales force. In any event, there are many organizations that already distribute software to schools. A list of these organizations is attached as Appendix B. Nevertheless, it is clear that the distribution arrangements a firm chooses should not be a determining factor of the educational worthiness of the firm's products.

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Conclusion

The principal objective of the SPA is to help build the strongest, most viable software industry possible, by doing what is best for publishers, distributors, developers, teachers and students. We have examined the ECS with the intention of answering the threshold question of whether ECS is helping the software industry to grow. We conclude that it is not. On the basis of the discussion above, it is clear that the confusion, controversy and potential conflict of interest generated by the ECS, may in fact be detrimental to the development of this infant industry.

We recommend that SPA members utilize other evaluation services. Many such evaluation organizations are listed in Appendix A. Those firms that wish to expand their distribution through inclusion in catalogs of educational software might wish to consider any of several catalogs that have nationwide distribution. A partial list of educational software catalogs is enclosed as Appendix B.

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Appendix A

The organizations listed in this appendix have, in the past, conducted evaluations of educational software. There may be other evaluation services that are not listed.

Mr. Dennis Spuck
AEDS Journal
1201 16th Street
Washington, DC 20036

Dr. Donald King
AEDS Monitor
1201 16th Street
Washington, DC 20036

Ms. Linda Corso
AEDS Newsletter
1201 16th Street
Washington, DC 20036

Ms. Henriette Wexler
American Education
400 Maryland Ave SW 2089
Washington, DC 20202

Ms. Trish Gorman
American Educator
11 Dupont Circle NW
Washington, DC 20036

Ms. Linda Chavez
American Teacher
11 Dupont Circle NW
Washington, DC 20036

Mr. Glenn Polin
Apple Education News
20525 Mariani Ave.
Cupertino, CA 95014

Irene Wood
Booklist
50 E. Huron Street
Chicago, IL 60611

Ms. Linda Dove
Change
4000 Albemarle St. NW
Washington, DC 20016

Ms. Holly Brady
Classroom Computer
19 Davis Drive
Belmont, CA 94002

Collegiate Micro Comp.
5500 Wabash Ave.
Terre Haute, IN 47803

Dr. Mary Ali
Columbia Institute
Box 426
Salisbury, CT 06068

Mr. Sandy Wagner
Computer Using Education
100 Skyport Drive
San Jose, CA 95110

Ms. Doris Carey
Computing Teacher
1787 Agate Street
Eugene, OR 97403

Dr. Brian Winkel
Contemporary Education
10005 Statesman Towers
Terre Haute, IN

Mr. Mark Falstein
Courseware Report Card
150 West Carob Street Box 426
Compton, CA 90020

Ms. Patti Littlefield
Cue Newsletter
Box 18547
San Jose, CA 95158

Ms. Irene Goldman
Curriculum Review
517 S. Jefferson Street
Chicago, IL 60607

Ms. Patricia Broderick
Early Years
Box 1266
Darien, CT 06820

Ms. Marcy Swerdlin
Education Daily
1300 North 17th Street
Arlington, VA 22209

Dr. Alan H. Jones
Education Digest
Box 416
Ann Arbor, MI 48107

Mr. William Winn
Educational Communication & Technology
1126 16th Street NW, Room 502
Washington, DC 20036

Ms. Joan Stabeleski
Educational Marketer
701 Westchester Avenue
White Plains, NY 10604

Mr. Lawrence Lipstiz
Educational Technology
140 Sylvan Avenue
Englewood Cliffs, NJ 07632

Ms. Marjorie Blair
Electronic Education
1311 Exec Center Dr.
T[illegible]ahasee, FL 32301

[illegible]s. Peggy Gladstone
Electronic Learning
730 Broadway
New York, NY 10003

Ms. Barbara Bickert
EPIE Institute
525 West 120 St.
New York, NY 10027

Ms. Nancy Donald
Exceptional Parent
605 Commonwealth Ave.
Boston, MA 02115

Mr. Greg W. Downey
Executive Educator
1055 T. Jefferson St.
Washington, DC 20007

Ms. Laurie Flynn
Family Learning
19 Davis Drive
Belmont, CA 94002

Mr. James Alvino
Gifted Children's News
Box 115
Sewell, NJ 08080

Ms. Barbara Graham
Guttman Library/Harvard
6 Apian Way
Cambridge, MA 02138

Editorial Board
Harvard Educational Review
13 Apian Way--Longfellow Hall
Cambridge, MA 02138

Mr. James W. Kunz
Higher Education Marketing
8800 Blue Ridge Blvd.
Kansas City, MO 64138

Mr. Howard Hurwitz
Hurwitz on Education
36 West 44th Street
New York, NY 10036

Mr. Jeffrey Silverstein
IDP Report
701 Westchester Avenue
White Plains, NY 10604

Mr. Paul Cuneo
Industrial Education
757 Third Avenue
New York, NY 10017

Ms. Michelle Brace
Instruction Innovation
1126 16th Street, NW
Washington, DC 20036

Ms. Leanne Landsmann
Instructor
757 Third Avenue
New York, NY 10017

Ms. Susan Defosset
Interface
915 River Street
Santa Cruz, CA 95060

Ms. Kathleen Weiler
Journal of Education
605 Commonwealth Ave.
Boston, MA 02215

Mr. David Brady
Learning Magazine
19 Davis Drive
Belmont, CA 94002

Ms. Julie Ericksen
Learning Periodicals
19 Davis Drive
Belmont, CA 94002

Ms. Arynne Simon
Learning Scene
Box 1033
Solana Beach, CA 92075

Library Software Review
520 Riverside Avenue
Westport, CT 06880

Mr. Harry B. Tunis
Mathematics Teacher
1906 Association Drive
Reston, VA 22091

Ms. Ann Caputo
Media & Methods
1511 Walnut Street
Philadelphia, PA 19102

Ms. Patti Summerville
Micro Market Examiner
Box 411
Eureka Springs, AR 72632

Mr. Jonathan Kantrowitz
Microcomputers in Education
5 Chapel Hill Drive
Fairfield, CT 06432

Dr. Harold MacDermot
Minnesota Department of Ed.
550 Cedar Street
St. Paul, MN 55101

Ms. Patricia Feistritzer
Momentum and NCEA Notes
1077 30th St. NW 100
Washington, DC 20007

Mr. Ted Bleecker
New York Teacher
260 Park Avenue South
New York, NY 10010

Paul Dukecki
Peabody Journal of Education
Box 154, Peabody College
Nashville, TN 37203

Mary Ann Harris
Progressive Teacher
2678 Henry Street
Augusta, GA 30904

Melitta Curright
PTA Today
700 North Rush Street
Chicago, IL 60611

Linda Hunter
Reading '84
Box 8139
Newark, DE 19711

Grace Wolf
Review of Education
Box 67
South Salem, NY 10590

Lillian Berhardt
School Library Journal
1180 Ave of the Americas
New York, NY 10036

Danna Downing
School Micro Computer
Box 1326
Holmes Beach, FL 33509

Gary Wittlich
School of Music
Indiana University
Bloomington, IN 47405

Phyllis Marcuccio
Science & Children
1742 Connecticut Ave, NW
Washington, DC 20009

Juliana Texlet
Science Teacher
1742 Connecticut Ave, NW
Washington, DC 20009

Charles Rivera
Social Education
3501 Newark St. NW
Washington, DC 20016

Helen Kress
Social Studies
400 Albemarle St. NW
Washington, DC 20016

Software Reports
Box 773 - Dept. A
Pilot Mountain, NC 27401

Ms. Nancy Melin
Software Review
520 Riverside Drive
Westport, CT 06880

Ms. Martha Johnson
Special Libraries
235 Park Avenue South
New York, NY 10003

Ms. Doris Ross
State Education Leader
1860 Lincoln Street
Denver, CO 80295

Mr. Ted James
T.H.E. Journal
Box 17239
Irvine, CA 92713

Ms. Barbara Stevens
Teacher's Voice
400 N. Third Street
Harrisburg, PA 17105

Ms. Mary Dalheim
Teaching & Computers
730 Broadway
New York, NY 10003

Mr. Robert Burroughs
Teaching Learning Comp.
1601 S. Melrose St. D
Placentia, CA 92670

Ms. Ruth Metheny
Today's Catholic Teacher
2451 E. River Road, #200
Dayton, OH 45439

Mr. David Gleissman
Viewpoints Teaching
Indiana Univ-School of Ed
Bloomington, IN 47405

Ms. Barbara Stevens
Voice
400 Third Street
Harrisburg, PA 17105

APPENDIX B

The firms that are listed below represent only some of the firms that have established a reputation with educators and which are already selling software to schools. There are, of course, others as well.

Charles W. Clark Co.
168 Express Drive South
Brentwood, NY 11717

Scholastic, Inc.
730 Broadway
New York, NY 10003

Opportunities for Learning
8950 Lurline Avenue
Chatsworth, CA 91311

Career Aids
8950 Lurline Avenue
Chatsworth, CA 91311

Social Studies School Services
10000 Culver Boulevard
Culver City, CA 90230

K-12 Micromedia
172 Broadway
Woodcliff Lake, NJ 07675

HASCO
901 Jamesville
Fort Atkinson, WI 53538

Follett Library Book Company
4506 Northeast Highway
Crystal Lake, IL 60014

Learning Arts
123 South Hillside
Wichita, KS 67211

The Micro Center
Washington Avenue
Pleasantville, NY 10570

Sunburst Communications
39 Washington Avenue
Pleasantville, NY 10570

Beckley-Cardy
7500 Old Oak Boulevard
Middleburg Heights, OH 44130

Continental Press
520 East Bainbridge Street
Elizabethtown, PA 17022

Society for Visual Education
1345 Diversey Parkway
Chicago, IL 60614